

**Application number:** 09/396005

**Art Unit:** 3621

**Applicant:** Khai Hee Kwan

**Examiner:** Le, David Q.

**Title:** Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

re Wertheim, 646 F.2d 527, 537, 209 USPQ 554, 564 (CCPA 1981) where the examiner introduced a CIP as prior art. The absence of such demonstration creates questionable doubt on the prima facie relied by the examiner to defeat patentability and deprives the applicant the fair opportunity to response.

Further to our said submission in response to said final action letter demonstrating in fact the CIP filed by David on 8 Feb 2000 had relied on numerous new matters, the examiner had responded in his Advisory Action faxed 19 June 2003 indicating that our arguments were not overcome. As at this date, no attempt to demonstrate existence of common subject matter was entered by the examiner despite our request.

We respectfully ask the examiner to evidence the existence of said common subject matters relying on the earlier date of July 30, 1999 so as to provide us an opportunity to further our prosecution in this CPA. In particular given the nature of a CIP being relied as prior art, it is more probably then not, new matter exists where its parent's filing date is being relied on. The case here is for the examiner to first demonstrate that prima facie is sound based on the evidence of common subject matter relied on the earlier filing date before raising the question on patentability. It cannot be the case where patentability is raised first relying on questionable subject matter and have the applicant to prosecute patentability on reliance on said subject matters. This would be like asking a patient to self-diagnose his illness rather than the doctor diagnosing first and having the patient to subscribe his own medicine by a process of elimination on each application. The patient will not survive beyond the first 2 self-examination. Therefore, like the patient, we strongly urge the examiner to first demonstrate the 'illness' first so the proper 'medication' can be applied.

The existence of subject matter is one of factual finding and strict on the premise of finding such matter otherwise its new matter. In short, our interpretation is that if debit card or stored value card is relied on in the CIP and its not found in the earlier dated filing then its new matter. The CCPA has recognized that "[I]n a sense, anything inserted in a specification that was not here before is new to the specification but that does not necessarily

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mean it is prohibited as 'new matter' In Re Oda, 443 F.2d 1200, 1700 USQP 268, 270-71 (CCPA 1971).

5 To date, we are unable to gap the apparent differences in this factual finding exercise which leads us to have to second guess the examiner's above decision and we respectfully ask the examiner to enlighten us in this endeavor. We accepted the 'silent' to mean demonstrated since there was no other alternative in a final action procedure to other wise response. If we do not response then we would have 'acceded' with the examiner's questionable  
10 prima facie case and if we do response, we have to start on the assumption that the examiner had demonstrated grounds albeit silent else our response would not be responsive.

15 In addition, as we have also submitted an earlier declaration under 37 CFR 1.131 with evidence to show that our claimed invention was fully conceived before 30 July 1999 to remove this prior art, we respectfully ask the examiner to reconsider this as part of this continuing prosecution. We have also executed a fresh copy of the declaration incorporating the earlier one for this purpose as all physical evidences have already been submitted to  
20 the examiner as part of our response to final action dated 10 May 2003 with mailing label EE632067654 MY.

25 Our accompanying amended claims as detailed in Appendix 1 & 2 include minor modification to the unentered claims submitted in response to the final action letter and therefore incorporates all our previous rebuttal or arguments submitted where applicable.

**2. Status of Claims:**

30 Status remains rejected for claims 13-25 as per Advisory Action Letter Faxed 19 June 2003.

**3. Amendments of Claims in Appendix 1 & 2.**

35 Accompanying our response here, we have made some amendments to further distinguish our claims 13, 14, 17, 18, 22 and 23. We have included the word 'Instantly' to reflect the nature of the fund transfer. As mentioned

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David relied on using credit funds which do not have this feature due to the external requirements for settlement nor is it possible to conclude a person to person payment transfer system in view of David. We also further claimed user to user payment without the payee's participation which is not operable in a merchant centric system found in David. Claims 17, 18, 22 and 23 are now dependent claims of 13 and 14 but of a different class. We believe this to be permissible as stated in §608.01(n), Manual of Patent Examining Procedures, United States Patent and Trademark Office, page 600-77 (8th Ed., August 2001), distinctly pointing out "The fact that the independent and dependent claims are in different statutory classes does not, in itself, render the latter improper." Similarly, claims 24, 25 are article claims dependent on method 15 and 16. We would be happy to rewrite this should this issue is raised.

As for 14, 18 and 23, the applicant has included one more element to cover the situation when the user account identifier and password combination is not unique (ie existing accounts).

Claims 15, 16, 19, 20, 24, 25 Includes the word "Instantly" to reflect the nature of the funds payment/transfer.

New 26, 27, 28 were added to claim the storage formula which incorporates more than just the currency factor. New 29, 30, 31 claims are included to cover the nature of the funds which is prepaid or stored value.

We believe the these amendments will transverse all previous rejections.

Date: 21 June 2003

Khai Hee KWAN

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**Examiner:** David Q Le.

**Declaration of prior Invention under 37 CFR 1.131**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

TO: Commissioner for Patents  
Washington DC 20231

My residence, mailing address, and citizenship are as stated below my name.

I, Khai Hee Kwan, hereby declare that the Invention titled "Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards" having US Application Service Number 09/396005 has been reduced to practice by the act of concurrently filing of an US Application and Australian Application from 17 June 1999 in the city of Sydney, Australia. Said invention is fully conceived by me prior to 30 July 1999 ( Australia Eastern Standard Time). The listed material evidences in support of this declaration were submitted with an earlier filed declaration received by the examiner on the 23 May 2003 with mailing label EE632067654 with post date 10 May 2003 and herein incorporated. Said material consisting :

- 1) One floppy disk with the following original Documents representing the submitted Invention Application comprising:

Telbank.Doc created on the 7 May 1999	last modified 17 May 1999
Fig2. Doc created on the 17 May 1999	last modified 15 June 1999
TelBankFig1.Doc created on the 14 June 1999	last modified 7 Aug 1999
TelBankFig2.Doc created on the 14 June 1999	last modified 9 Aug 1999
TelBankFig3.Doc created on the 14 June 1999	last modified 9 Aug 1999
TelBankFig4.Doc created on the 14 June 1999	last modified 9 Aug 1999
TelBankFig5.Doc created on the 21 June 1999	last modified 9 Aug 1999
TelBankFig6.Doc created on the 21 June 1999	last modified 9 Aug 1999

- 2) A certified page from my personal diary showing the flow diagram of the present invention being claimed evidencing reducing to practice on the 17 June 1999.

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**Declaration of prior Invention under 37 CFR 1.131**

- 3) An original draft ( 2<sup>nd</sup> draft) dated 10 May 1999. This draft was made in part for the Australian application which is claiming priority date of 11 Aug 1999.

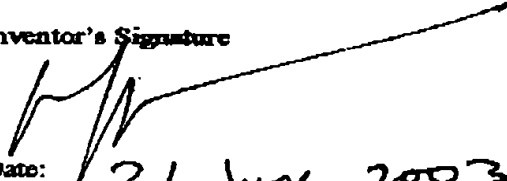
I further declare that the remaining time was used to understand both the US and Australia application process/requirements as I wrote and apply the application by myself. Therefore, it is not unreasonable to assume the length of 1 month or more to fully complete the application for filing and to make the necessary changes to conform to the US standards later for a person with little of no knowledge of the patenting process. In addition, much time was spend in understanding how to write proper claims and as noted by the examiner in the first office action, there were many errors.

I further declared that the above statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of any application, any patent issuing thereon, or any patent to which this verified statement is directed.

**Full Name of Inventor:**

**KHAI HEE KWAN**

**Inventor's Signature**

  
Date: 21 June 2003

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**Citizenship:** Malaysian

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## Appendix 1

### MARKED VERSION

5 Without conceding the validity of the examiner's argument or the undemonstrated prima facie, and to expedite prosecution of the application, the claims are hereby amended as below and we respectfully seek the examiner's permission to add the following amendments for the purposes of our CPA:

10 13. (New)-(Currently Amended) In an Internet system having a plurality of computers connected by a network, a user to user payment method executable at host server having a database to transfer stored funds in any currencies over a network under payer's control, comprising:

15 prompting payer to input payer's account identifier and password;

authenticating the said payer's account identifier and password for validity;

20 prompting the payer to input payee's account identifier and fund transfer information;

receiving said payee's account identifier and fund transfer information;

25 upon authenticating the payee's account identifier, instantly crediting the fund to payee's account if the balance in the database associated with the payer account identifier and password is more than the fund for transfer, and

instantly debiting the balance associated with the payer's account identifier and password in the database with the said fund transferred to payee's account; and

30 whereby said transfer is made without interacting with payee.

35 14. (New)-(Currently Amended) The method of Claim 13 includes a step of storing and linking prepaid card amount to an user account identifier in the host server over a network comprising:

prompting user to enter security code associated with the prepaid card;

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receiving the security code;

determining if the security code is valid;

determining if any identifier account is associated with the security code;

if there is no account identifier associated with said code then prompt user to enter an unique-user account identifier, password, storage period and currency to be stored;

receiving the said user account identifier, password, storage period and currency as inputted by user;

determining said user account identifier and password for uniqueness against other stored user account identifiers and passwords;

calculating the stored value;

output stored value to user, and

if said user account identifier, password combination is unique and stored value is acceptable to user then add said account identifier and password into database linked with the stored value amount; and

if said user account identifier, password combination is not unique and stored value is acceptable to user then linked the stored value amount to said existing user account identifier and password in the database.

15. (Previously Added) (Currently Amended) In an Internet system having a plurality of computers connected by a network, a method using a convertible prepaid card for payment to a merchant in any currencies over a network comprising:

at the merchant server, receiving a request for payment for good or services by purchaser;

generating a first dynamic transaction code to the host server;

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generating a second dynamic transaction code to the purchaser;

at the host server having a database, receiving the first transaction code from merchant server;

5 requesting purchaser to provide second transaction code and security code from prepaid card;

receiving the second transaction code and security code as inputted by purchaser;

10 authenticating the first transaction code and second transaction code;

authenticating the said security code for validity;

upon authentication of the security code, instantly crediting the amount requested for payment to merchant's account if the balance in the database associated with the security code is more than the  
15 requested amount for payment;

instantly debiting the balance associated with the security code in the database with the said amount paid to merchant's account; and

20 notifying merchant server and purchaser.

16. ~~(Previously Added)~~ (Currently Amended) The method of Claim 15 where the said amount payable is in a currency other than the prepaid card's currency further comprising steps at the host  
25 server:

requesting purchaser to convert the equivalent amount in prepaid card's currency to the requested foreign currency amount if the balance in the database is more than the requested equivalent foreign currency amount for payment;

30 receiving approval by purchaser for converting the said equivalent amount to the requested foreign currency amount for the transaction;

35 instantly crediting the converted amount in foreign currency for payment to merchant's account; and;



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instantly debiting the said credited amount equivalent in prepaid card's currency associated with the purchaser's prepaid card account in the database.

5

17. (New)- (Currently Amended) An internet User to user payment system for conducting transferring stored funds transfer in any currencies over a network -accessible by a plurality of users using prepaid cards comprising:

10

at least a host server with a database further comprising; a computer storage medium for storing executable program code programmed to perform the method of Claim 13; and

means for executing the said program code, wherein the program code further comprises:

15

code to prompt payer to input payer's account identifier and password;

code to authenticate said account identifier and password for validity;

code to prompt the payer to input payee's account identifier and fund transfer information;

20

code to receive payee's account identifier and fund transfer information;

code to authenticate the payee account identifier;

25

code to credit the fund to payee's account if the balance in the database associated with the payer account identifier and password is more than the fund for transfer; and

code to debit the balance associated with the payer account identifier and password in the database with the said fund transferred to payee's account.

30

18. (New)- (Currently Amended) The system of Claim 17 includes computer codes for storing prepaid card amount in the host server over a network comprising:

35

User to user payment system for transferring stored funds in any currencies over a network accessible by a plurality of users comprising:

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at least a host server with a database further comprising: a computer storage medium for storing executable program code programmed to perform the method of Claim 14,

5    ~~code to prompt user to enter security code associated with the prepaid card;~~

~~code to receive the security code;~~

~~code to determine if the security code is valid;~~

10

~~code to determine if any account identifier is associated with the security code;~~

~~code to prompt user to enter an unique user account identifier, password, storage period and currency to be stored;~~

15

~~code to receive the said user account identifier, password, storage period and currency as inputted by user;~~

~~code to determine said user account identifier and password for uniqueness against other stored user account identifiers and passwords;~~

20

~~code to calculate the stored value;~~

~~code to output stored value to user;~~

25

~~code to determine acceptability of stored value amount by user; and~~

~~code to add said account identifier and password into database linked with the stored value amount.~~

30

19. ~~(Previously Added)~~ (Currently Amended) An Internet system using a convertible prepaid card for payment to a merchant in any currencies over a network comprising:

~~at least a merchant server further comprising;~~

35

~~a computer storage medium for storing executable program code; and~~

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means for executing the said program code, wherein the program code further comprises:

code to receive a request for payment for good or services by purchaser;

5 code to generate a first transaction code to the host server;

code to generate a second transaction code to the purchaser; and

a host server having a database further comprising;

10 a computer storage medium for storing executable program code; and

means for executing the said program code, wherein the program code, further comprises:

15 code to receive the first transaction code from merchant server;

code to request purchaser to provide second transaction code and security code from prepaid card;

20 code to receive the second transaction code and security code as inputted by purchaser;

code to authenticate the first transaction code and second transaction code;

code to authenticate the said security code for validity;

25 code to ~~instantly~~ credit the amount requested for payment to merchant's account if the balance in the database associated with the security code is more than the requested amount for payment;

code to ~~instantly~~ debit the balance associated with the security code in the database with the said amount paid to merchant's account; and

30 code to notify merchant server and purchaser.

35 20. ~~(Previously Added)~~ ~~(Currently Amended)~~ The system of Claim 19 wherein the said amount payable is in a currency other than the prepaid card's currency further comprising:

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code to request purchaser to convert the equivalent amount in prepaid card's currency to the requested foreign currency amount if the balance in the database is more than the requested equivalent foreign currency amount for payment;

- 5 code to receive approval by purchaser for converting the said equivalent amount to the requested foreign currency amount for the transaction;

code to instantly credit the converted amount in foreign currency for payment to merchant's account; and

10

code to instantly debit the said credited amount equivalent in prepaid card's currency associated with the purchaser's prepaid card account in the database.

15

21. (Previously Added) The system of Claim 19 wherein said transaction codes comprising encrypted purchase information, amount, merchant information and a fixed period of expectancy.

20

22. (New)-(Currently Amended) Computer executable software code stored on a computer readable storage medium ~~comprising: implementing the method of claim 13~~

code to prompt payer to input payer's user identifier and password;

code to authenticate the user identifier and password for validity;

25

code to prompt the payer to input payee's identifier and fund transfer information;

code to receive payee's identifier and fund transfer information;

30

code to authenticate the payee's identifier;

code to credit the fund to payee's account if the balance in the database associated with the payer identifier and password is more than the fund for transfer; and

35

code to debit the balance associated with the payer identifier and password in the database with the said fund transferred to payee's account.

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23. (New) (Currently Amended) The computer-executable software code according to Claim 22 further comprising: Computer executable software code stored on a computer readable storage medium implementing the method of claim 14

- 5 code to prompt user to enter security code associated with the prepaid card;  
code to receive the security code;  
code to determine if the security code is valid;  
10 code to determine if any identifier account is associated with the security code;  
code to prompt user to enter an unique user identifier, password, storage period and currency to be stored;  
15 code to receive the said user account identifier, password, storage period and currency as inputted by user;  
code to determine said user account identifier and password for uniqueness against other stored user identifiers and passwords;  
20 code to calculate the stored value;  
code to output stored value to user;  
25 code to determine acceptability of stored value amount by user; and  
code to add said account identifier and password into database linked with the stored value amount.

30 24. (Previously Added) (Currently Amended) Computer executable software code stored on a computer readable storage medium implementing the method of claim 15. Computer-executable software code stored on a computer-readable storage medium executable at a merchant server comprising:

- 35 code to receive a request for payment for good or services by purchaser;

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~~code to generate a first transaction code to the host server;~~

~~code to generate a second transaction code to the purchaser; and further~~

5 ~~codes executable at a host server comprising;~~

~~code to receive the first transaction code from merchant server;~~

~~code to request purchaser to provide second transaction code and security code from prepaid card;~~

10 ~~code to receive the second transaction code and security code as inputted by purchaser;~~

~~code to authenticate the first transaction code and second transaction code;~~

15 ~~code to authenticate the said security code for validity;~~

~~code to credit the amount requested for payment to merchant's account if the balance in the database associated with the security code is more than the requested amount for payment;~~

20 ~~code to debit the balance associated with the security code in the database with the said amount paid to merchant's account; and~~

~~code to notify merchant server and purchaser.~~

25 25. (Previously Added) (Currently Amended) Computer executable software code stored on a computer readable storage medium implementing the method of Claim 16. The computer executable software code according to Claim 24 wherein the said amount requested for payment is in a currency other than the prepaid card's currency; said code executable at the host server further comprising:

30 ~~code to request purchaser to convert the equivalent amount in prepaid card's currency to the requested foreign currency amount if the balance in the database is more than the requested equivalent foreign currency amount for payment;~~

35 ~~code to receive approval by purchaser for converting the said equivalent amount to the requested foreign currency amount for the transaction;~~

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~~code to credit the converted amount in foreign currency for payment to merchant's account; and~~  
~~code to debit the said credited amount equivalent in prepaid card's currency associated with the~~  
~~purchaser's prepaid card account in the database.~~

5 26. (NEW) The method according to Claim 14, wherein calculation of the stored value is based at least in part on the formula below;

10 Stored value =  $B * D * L * C * R$

Where B is the face value of the prepaid card, D is a factor related to storage period, L is factor related to the value and loyalty of customer that is based on his/her past purchases of pre-paid cards, C is factor relating to the cost of money and R is a factor concerning flexibility in currency stored.

15 27. (NEW) User to user payment system for transferring stored funds in any currencies over a network accessible by a plurality of users comprising:

20 at least a host server with a database further comprising; a computer storage medium for storing executable program code programmed to perform the method of Claim 26.

25 28. (NEW) Computer executable software code stored on a computer readable storage medium implementing the method of Claim 26.

29. (NEW) The method of Claim 13 whereby said fund is prepaid or stored value.

30 30. (NEW) User to user payment system for transferring stored funds in any currencies over a network accessible by a plurality of users comprising:

at least a host server with a database further comprising; a computer storage medium for storing executable program code programmed to perform the method of Claim 29.

35 31. (NEW) Computer executable software code stored on a computer readable storage medium implementing the method of Claim 29.